

Code of Corporate Governance

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Introduction

The council's Code of Corporate Governance, based on 'Delivering Good Governance in Local Government Framework 2016' published by The Chartered Institute of Public Finance & Accountancy (CIPFA), sets out how the council's governance arrangements meet the seven principles of good governance.

The overarching document which sets out the outcomes which the council aims to deliver is [Brighton & Hove City Council's Council Plan 2023 - 2027](#).

The Code of Corporate Governance directly supports the Council Plan Outcome 4: A responsive and learning council with well-run services – Good governance and financial resilience.

Our learning framework underpins the council's governance arrangements.



Figure 1: Illustration showing how corporate governance and the learning framework are interconnected

What is governance?

The [International framework: good governance in the public sector](#) published by CIPFA/IFAC in 2014, defines governance as comprising the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

Good governance in local authorities:

- > Ensures that decision making is lawful, informed by objective advice, transparent and consultative
- > Is crucial to achieving value for money and securing financial sustainability
- > Ensures ethical standards (The Nolan Principles) are upheld and prevents serious failings such as fraud

Core principles of good governance

The fundamental function of good governance in the public sector is to ensure that entities achieve their intended outcomes while acting in the public interest at all times.

There are seven principles of Good Governance, from 'Delivering Good Governance in Local Government Framework 2016', with principles A and B permeating the implementation of principles C to G.

Acting in the public interest requires:

- A.** Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law;
- B.** Ensuring openness and comprehensive stakeholder engagement;

In addition, achieving good governance in the public sector also requires effective arrangements for:

- C.** Defining outcomes in terms of sustainable economic, social, and environmental benefits;
- D.** Determining the interventions necessary to optimise the achievement of the intended outcomes;
- E.** Developing the capacity of the entity, including the capability of its leadership and the individuals within it;
- F.** Managing risks and performance through robust internal control and strong public financial management; and
- G.** Implementing good practices in transparency, reporting and audit to deliver effective accountability.

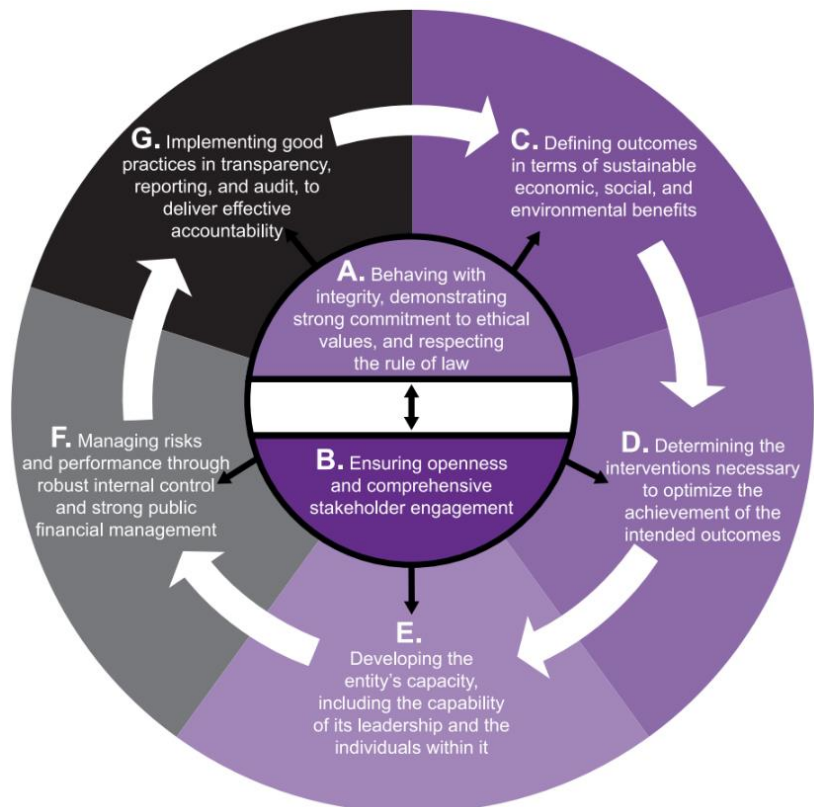


Figure 2: Illustration showing the relationship between the 7 core principles of good governance

The seven principles of public life

The Seven Principles of Public Life (also known as the Nolan Principles) apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the Civil Service, local government, the police, courts and probation services, non-departmental public bodies (NDPBs), and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources. The principles also apply to all those in other sectors delivering public services.

1. Selflessness

Holders of public office should act solely in terms of the public interest.

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Holders of public office should be truthful.

7. Leadership

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

Performance Management Framework

Best Value Authorities are under a general Duty of Best Value to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.”

The eight elements of the Performance Management Framework are a key element of our Corporate Governance and allow us to understand the performance of the council as a whole which provide us with a better context in which we are operating. The elements are inter-related; most services contribute to every element in the framework.

The Performance Management Framework sets out to ensure:

- > strong leadership at all levels which is consistent and fair and challenges blame culture
- > commitment to the accountability that has been assigned to individuals
- > the right information reaching the right people at the right time so that decisions are made and actions are taken
- > ongoing evaluation, review and learning to help improve future performance
- > the ability to identify and commitment to rectify poor performance at an early stage

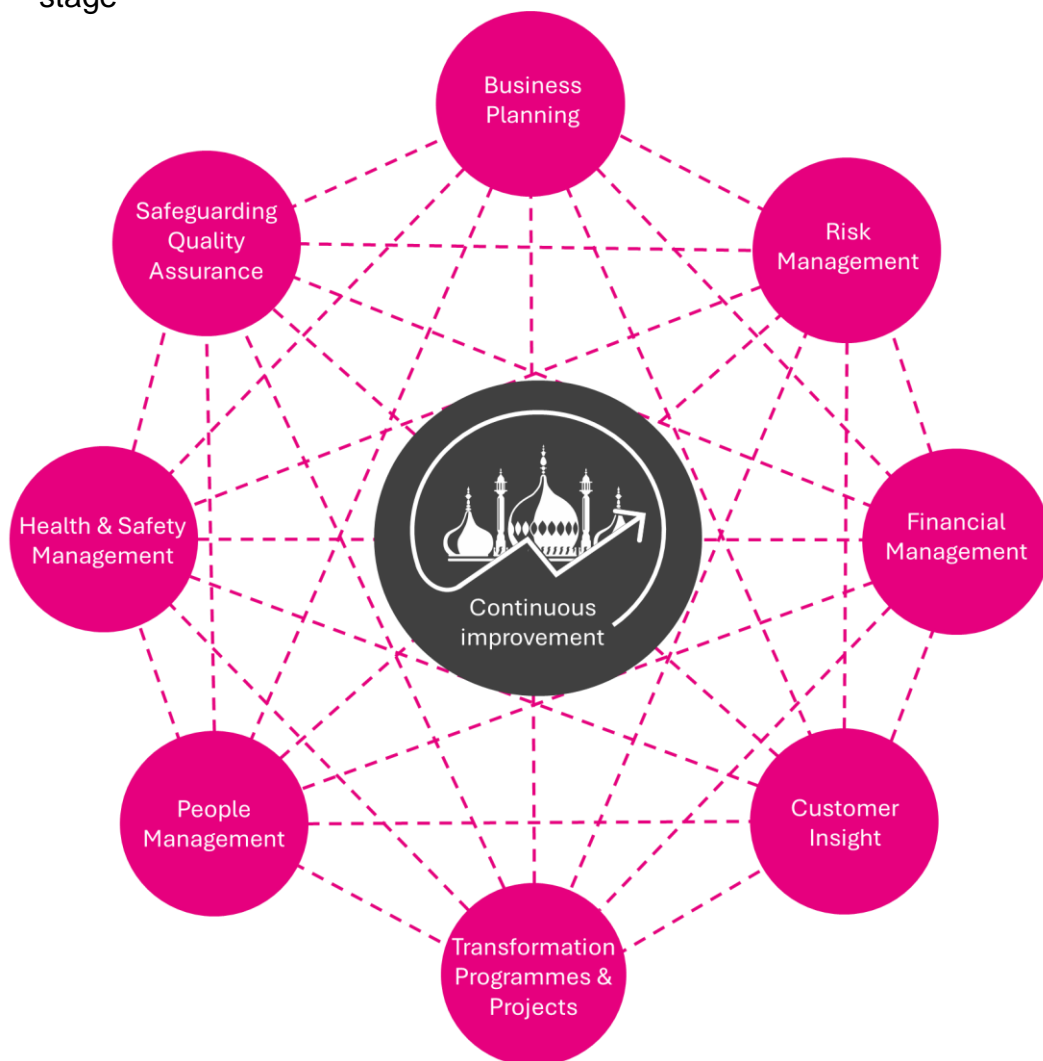


Figure 3: Illustration showing the eight inter-related elements of the Performance Management Framework

Our Performance Management Framework is aligned with our Learning Framework.

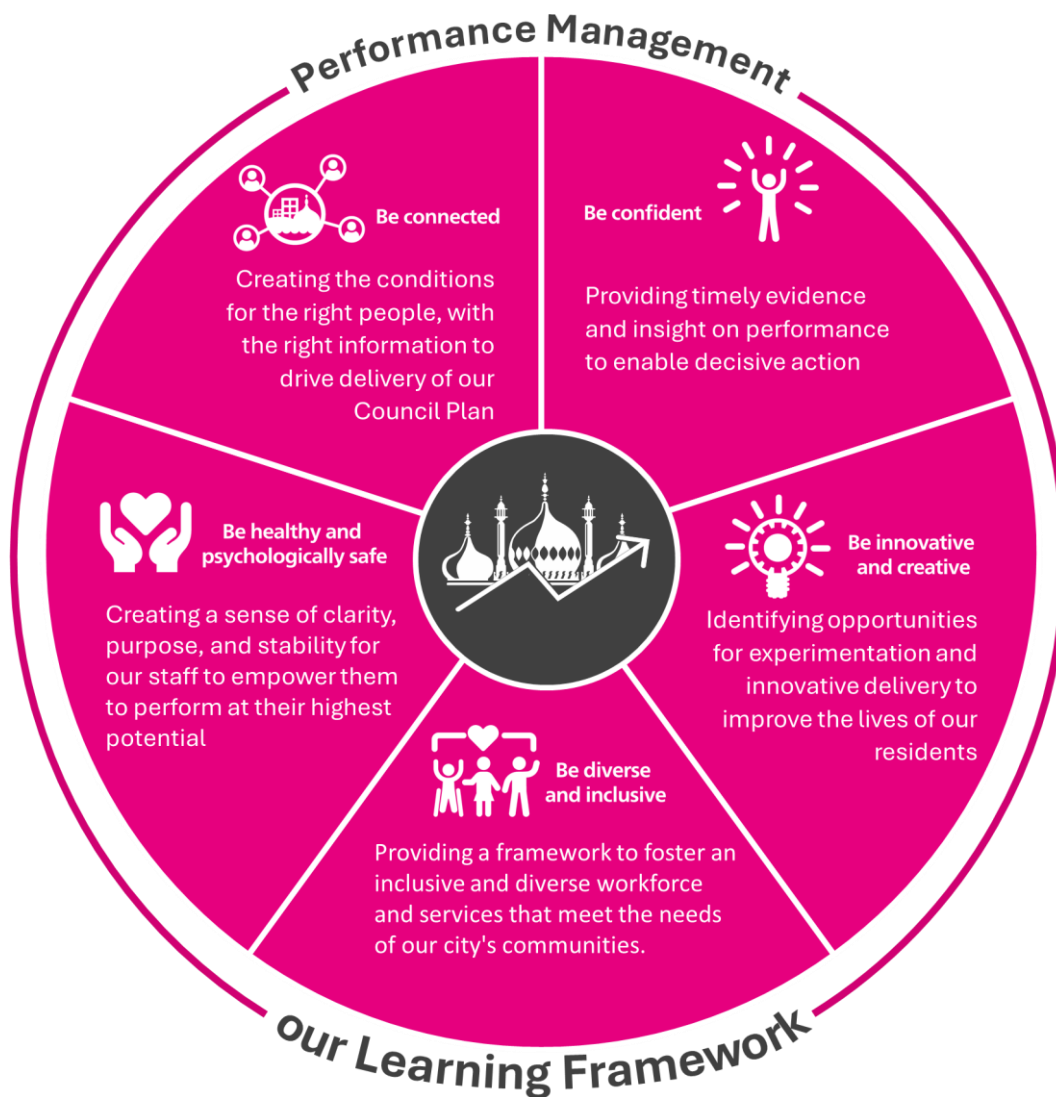


Figure 4: Illustration showing how the Performance Management Framework aligns with our Learning Organisation

Key elements that comprise the council's governance arrangements

The council has many policies, processes, and strategies aligned with the Good Governance Principles. The following table identifies the key policies, procedures, and frameworks corresponding to each core principle

	Integrity, ethical values and legislation	Openness and stakeholder engagement	Defining outcomes: economic, social & environmental benefits	Determining interventions to maximise outcomes	Capacity, capability and leadership	Performance and risk management	Transparency, reporting and audit to deliver effective accountability
The Constitution	●	●		●		●	●
Code of conduct for Officer Member Relations	●			●			
Behaviour Framework	●				●		
Code of conduct for employees	●						
BHCC Anti-Fraud & Corruption Strategy and Framework	●					●	●
Modern Slavery Statement	●						
Customer Experience Strategy		●		●	●	●	
Information Rights Framework		●					●
Formal Partnerships including the City Management Board		●		●			
Council Plan	●		●	●		●	●
Economic Strategy			●				
Carbon Reduction Programme			●				
Medium Term Financial Strategy	●		●	●			
Capital Investment Programme			●				
Corporate Leadership Plan		●	●	●	●	●	●
Financial Regulations & Standard Financial Procedures	●		●	●		●	●

	Integrity, ethical values and legislation	Openness and stakeholder engagement	Defining outcomes: economic, social & environmental benefits	Determining interventions to maximise outcomes	Capacity, capability and leadership	Performance and risk management	Transparency, reporting and audit to deliver effective accountability
Transformation & Innovation Portfolio				●	●	●	
Contract Standing Orders	●		●	●		●	●
Fair & Inclusive Action Plan	●				●		
Staff training					●	●	●
Member training					●	●	●
Scheme of Delegation	●	●			●		
Employment policies	●						●
Pay policy	●	●			●		●
Risk Management Framework and Process				●		●	
Information governance & security policies	●					●	
Health, Safety & Wellbeing policy	●					●	
People Strategy	●					●	
Whistleblowing Policy	●	●				●	●
Performance Management Framework		●				●	●
Internal Audit	●			●		●	●
External Auditor's Annual Report				●		●	●
Annual Governance Statement							●
Procurement Standing Orders and Strategy	●		●	●		●	●

Underpinning these key elements is the Golden Thread, that ensures all council activity is focused on achieving the intended outcomes for stakeholders.

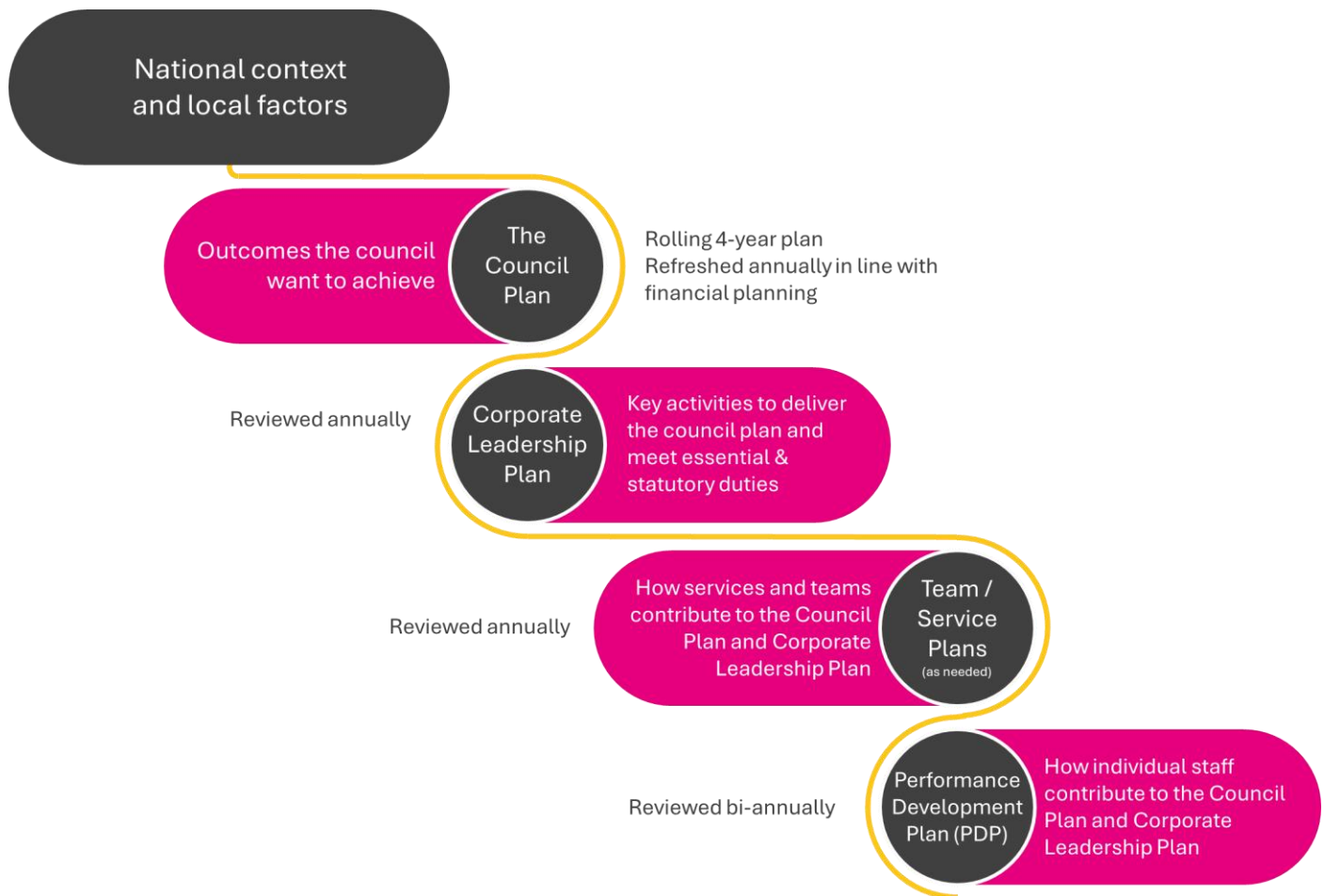


Figure 5: Illustration of the golden thread

Roles and responsibilities

All Members and officers are expected to commit to the Council's principles of good governance; however, there are specific responsibilities for the below individuals and groups, as set out in Part 2 of the Council's constitution:

The following Member bodies have specific responsibilities for good governance:

- > Full Council
- > Cabinet
- > Audit, Standards & General Purposes Committee
- > Overview and Scrutiny Committees

The Full Council makes decisions on key areas such as the Constitution, Policy Framework and budget.

The Cabinet is responsible for day-to-day decision making on most services. It must operate within the budget and policy framework agreed by the Full Council.

The Cabinet are held to account by Overview and Scrutiny committees. There are also several other committees which deal with functions like planning, licensing and Health & Wellbeing.

The Corporate Leadership Team has a collective accountability for ensuring good governance, and this is underpinned by the roles of three statutory officers of the council:

- > Head of Paid Service – Chief Executive
- > Monitoring Officer – Director of Governance & Law
- > Section 151 Officer – Director of Property & Finance

Chief Officers are responsible for the policies and procedures which form part of this Code and that fall within their functional responsibilities. Each Chief Officer is supported by senior managers who are responsible for ensuring that the relevant policies and procedures are up to date, are being complied with and are effective in achieving good governance.

How we ensure our arrangements are working

The Three Lines of Defence model has been practiced for a number of years, particularly within financial services, central government and the NHS. Our Risk Management Framework uses the 'three lines of defence model' to assess the effectiveness of how we manage organisational risks.

The Three Lines of Defence model outlines three levels of assurance and provides an 'assurance map' so that we can clearly see the sources of assurance and existing processes.

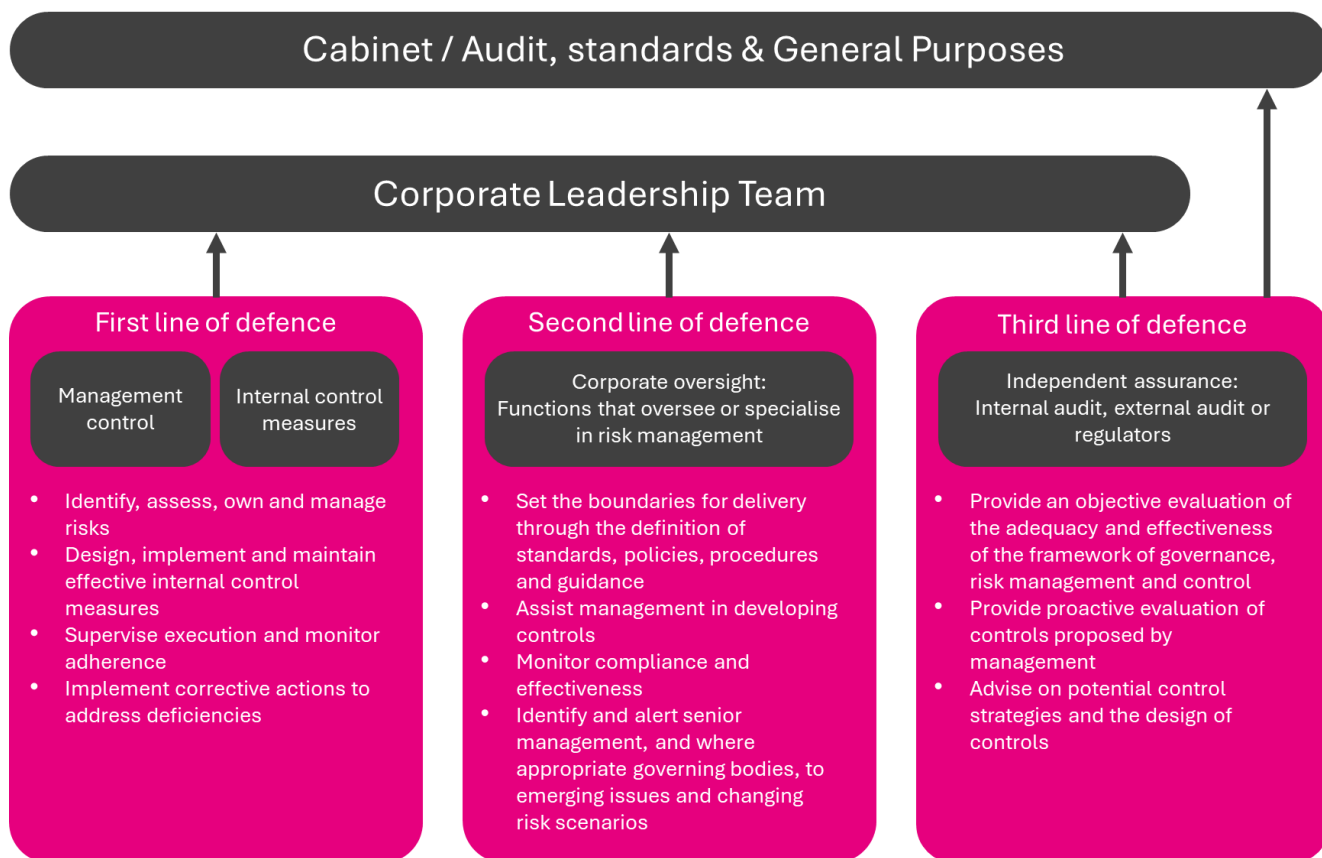


Figure 5: The three lines of defence model

Monitoring and reporting compliance with the code

There is a statutory requirement for each local authority to conduct a review of its system of internal control and prepare and publish an Annual Governance Statement (AGS) at least once every financial year in order to publicly report on the extent to which they comply with their own code of governance.

The AGS includes details of how the council has monitored and evaluated the effectiveness of its governance arrangements, an opinion on the level of assurance the governance arrangements provide and agreed actions, both taken and proposed, to address significant governance issues.

The AGS is reported to the Audit, Standards & General Purposes committee each year before being signed by the Council Leader and Chief Executive.